



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
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323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

July 5, 2011

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**ADOPT RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN THE CITY OF
WEST HOLLYWOOD (DISTRICT 3) (3 VOTES)**

SUBJECT

This letter recommends that your Board adopt a Resolution declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds to finance the construction and development of Courtyard at La Brea, a 32-unit multifamily rental housing development to be located in the City of West Hollywood. This letter relates to another item on the agenda of the Board of Supervisors for approval of the bond issuance.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Housing Authority has considered the attached Notice of Exemption for the Courtyard at La Brea project, which was prepared by the City of West Hollywood as lead agency; and find that this project will not cause a significant impact on the environment.
2. Adopt and instruct the Mayor to sign a Resolution, as required under Treasury Regulations, declaring an intent by the Housing Authority of the County of Los Angeles (Housing Authority) to undertake bond financing for Courtyard at La Brea L.P. (Developer), a California Limited Partnership, in an amount not exceeding \$8,000,000 to finance the construction and development of Courtyard at La Brea, a 32-unit multifamily rental housing development to be located at 1145-1151 North La Brea Avenue in the City of West Hollywood.

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

4-H JULY 5, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$8,000,000 for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these actions is to declare the intent of the Housing Authority to issue Multifamily Housing Mortgage Revenue Bonds in an aggregate amount not exceeding \$8,000,000, and to authorize the Executive Director to apply to CDLAC for a private activity bond allocation in the same amount, in order to finance the construction and development of the Courtyard at La Brea apartments.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The bonds will be repaid solely through rent revenues collected by the Developer. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Project, to be located at 1145-1151 North La Brea Avenue in the City of West Hollywood, will be a five-story apartment building, comprised of 24 one-bedroom units, seven studio units, and one two-bedroom unit. Fifteen of the units will be reserved for households with incomes that do not exceed 50% of the area median income and sixteen of the units will be reserved for households with incomes that do not exceed 30% of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). The affordability requirements will remain in effect for 55 years. Fifteen of the affordable units will be occupied by special needs households. One two-bedroom unit will be set-aside for the manager and will have no affordability requirements.

On June 6, 2011, the City Council of the City of West Hollywood adopted a resolution authorizing the Housing Authority of the County of Los Angeles to issue multifamily revenue bonds to finance the construction and development of the Courtyard at La Brea.

Adoption of the Resolution by the Board announcing the intent to issue Multifamily Housing Mortgage Revenue Bonds is required to establish a base date after which costs incurred by the Developer may be included in the construction and permanent financing obtained pursuant to issuance of the tax-exempt bonds. The Resolution is also required to complete the Housing Authority's application to CDLAC.

On June 8, 2011, the Housing Authority conducted a hearing at its office located at 2 Coral Circle in Monterey Park regarding the issuance of multifamily bonds to finance the Project, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the Project.

The attached Resolution was prepared by Kutak Rock, Housing Authority Bond Counsel, and approved as to form by County Counsel. On June 22, 2011 the Housing Commission recommended approval of the proposed action.

ENVIRONMENTAL DOCUMENTATION

The Courtyard at La Brea project was determined Categorically Exempt from the requirements of CEQA by the City of West Hollywood in accordance with State CEQA Guidelines Section 15332. The Housing Authority's consideration of this determination satisfies the requirements of CEQA.

An Environmental Assessment (EA) has been prepared for this project pursuant to the requirements of the National Environmental Policy Act (NEPA). This document describes the proposed project, evaluates the potential environmental effects, and describes the mitigation measures necessary to avoid potentially significant environmental effects from the project. Based on the conclusions and findings of the EA, a Finding of No Significant Impact will be approved by the Certifying Official of the Community Development Commission. Following the required public and agency comment periods, HUD will issue a Release of Funds for this project. NEPA review and clearance will be completed prior to execution of the HOME Loan Agreement.

IMPACT ON CURRENT PROJECT

The proposed action is a necessary step to facilitate bond financing for the Project, which will increase the supply of affordable multifamily housing in the County with long-term affordability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

Enclosures

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF LOS ANGELES OFFICIAL
DECLARATION OF INTENT TO UNDERTAKE THE FINANCING OF A
MULTIFAMILY HOUSING PROJECT AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds as part of a plan of financing for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Courtyard at La Brea LP (or an affiliate or assign) (the "Borrower"), has requested that the Authority issue and sell its mortgage revenue bonds pursuant to the Act to provide financing (including reimbursement of Borrower's expenditures) for the acquisition and construction of a multifamily rental housing development consisting of 32 units to be located at 1145-1151 North La Brea Avenue, West Hollywood, California 90046 in Los Angeles County (the "Project"); and

WHEREAS, this Board of Commissioners of the Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to adopt this resolution (this "Resolution") and to authorize the issuance of mortgage revenue bonds by the Authority to finance the Project (the "Bonds") in a principal amount not to exceed \$8,000,000; and

WHEREAS, the Authority, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and may incur additional Reimbursement Expenditures within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, the City of West Hollywood has approved the issuance by the Authority of the Bonds for the Project within the City of West Hollywood;

WHEREAS, this Board hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide a plan of financing for the Project by the issuance and sale of mortgage revenue bonds pursuant to the Act and hereby authorizes the issuance and sale of the Bonds in one or more series from time to time by the Authority in aggregate principal amounts not to exceed \$8,000,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any officer, agent or employee of the Authority will grant any approval, consent or permit which may be required in connection with the acquisition and construction of the Project or the issuance of the Bonds.
3. The issuance and sale of the bonds shall be upon such terms and conditions as may be agreed upon by the Authority and the Borrower and the initial purchasers of the Bonds; provided, however, that the Bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the Project.
5. The proper officers of the Authority are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the Authority to the issuance the Bonds in one or more series from time to time for the Project in an amount not to exceed \$8,000,000, to collect from the Borrower an amount equal to the

performance deposit required by CDLAC and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.

6. The proper officers of the Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, including entering into a Cooperation Agreement with the City of West Hollywood or the West Hollywood Community Development Commission, if necessary or desirable, provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by this Board in the manner provided by law prior to the sale thereof.

7. This Resolution shall take effect immediately upon its adoption.

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PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this 5th day of July, 2011, by the following vote:

AYES: Supervisors Molina, Ridley-Thomas, Yaroslavsky, Knabe and Antonovich

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: Mike Antonovich
Chair of the Board of Commissioners

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Commissioners

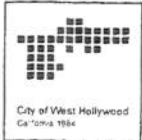
By: Lachelle Smithman
Deputy



APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Behnaz Jastanov
Deputy



NOTICE OF EXEMPTION: DEPARTMENT OF COMMUNITY DEVELOPMENT

TO: County Clerk, County of Los Angeles
12400 E. Imperial Highway, Room 2001
Norwalk, CA 90650

FROM: City of West Hollywood
Department of Community Development
8300 Santa Monica Boulevard
West Hollywood, CA 90069-6216
Tele: (323) 848-6475
FAX: (323) 848-6569
www.weho.org

SUBJECT: Filing of Notice of Exemption in compliance with § 21108 or 21152 of Public Resources Code

Project Title: The Courtyard at La Brea
Project Location - Specific: 1145-1153 La Brea Avenue, West Hollywood, CA 90069
Project Location - City: West Hollywood
Project Location - County: Los Angeles

Description of Nature, Purpose, and Beneficiaries of Project:

The project involves the redevelopment of an approximately 0.27-acre property located at 1145-1153 La Brea Avenue. Three commercial structures, one residential structure, and associated surface parking lots would be replaced with a five-story mixed-use building containing 31 affordable rental units, one manager's unit, and 1,287 square feet of ground level commercial office space.

Name of Public Agency Approving Project: City of West Hollywood
Name of Person or Agency Carrying Out Project: West Hollywood Community Housing Corporation

Exempt Status (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☒ **Categorical Exemption. State type and section number:** 15332 (In-fill Development Projects)

Reasons why project is exempt:

The project is Categorically Exempt from CEQA pursuant to CEQA Guidelines Section 15332 (In-Fill Development Projects) because: a) the project is consistent with the City's General Plan and Zoning Ordinance regulations; b) the development occurs on a site of 0.27 acres that is substantially surrounded by urban uses; c) the project has been developed with multiple urban uses since at least 1912 and the project site has no value as habitat for endangered, rare, or threatened species; d) approval of the project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and e) the site can be adequately served by all required utilities and public services.

Lead Agency Contact Person: Francisco Contreras, AICP

Area Code/Telephone/Extension: (323)848-6874

Signature (Public Agency):  **Date:** March 18, 2011

Title: Senior Planner